

ER 9-7768

16 October 1957

MEMORANDUM FOR: Deputy Director (Support)

ATTENTION: The Comptroller

SUBJECT: DD/I Comments on the Preliminary, Operating and Agency Budget Estimates

1. Introduction of a new format and method of presentation for the Preliminary Estimates and a revised format for the Agency Estimates have, over the course of the past months, generated considerable comment by the DD/I Offices. In an effort to pull our views into a meaningful and organized presentation I held a meeting with the DD/I Admin Officers and we painstakingly covered the budget cycle, Comptroller instructions for the preparation and submission of material, Office needs for the information and DD/I requirements.

In the following paragraphs of this paper I am setting forth the views of the DD/I and his Offices for your consideration and comment.

2. General

a. The Preliminary Estimates as presented this year, in and by themselves, do not contain all the information needed to enable operating officials of the DD/I and the DD/I himself to make necessary decisions regarding the level of funds to be allocated to the various activities and programs.

Further, it appears possible to substitute for the present format one which would present the necessary information in such a manner that it could be used again in the Agency Estimates thereby reducing the overall workload.

b. The time allowed the operating offices for the preparation of both the preliminary and Agency estimates is entirely too short to permit us to do the thorough job we should like to do without considerable overtime and diversion of personnel from other work, and even then the time available to the DD/I's office for review is not enough.

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c. Instructions are needed at the beginning of the fiscal year, not at budget time, as to the method of presentation of object class information in the estimates so that the Offices' detailed bookkeeping entries may be tailored accordingly.

d. The draft budget instructions were well received as a much needed item. A "sample budget" annexed to these instructions would make them more understandable and eliminate any remaining confusion.

3. Specific

a. The Preliminary Estimates, while surfacing non-recurring and priority items do not provide any data on the so-called "continuing base" which is upwards of 80-90% of the request.

Both at the Office and DD/I levels it has been found that an identification and explanation of the "continuing base" by object class is essential to a thorough review of the estimates. Otherwise necessary decisions and comparisons of programs are made after considering only a fraction of program funds. Priority items of one activity are stacked against priority items of another activity while 80% or more of the budget is automatically approved.

Henceforth, the DD/I will require an object class spreadsheet on a three year basis which will itemize the entire request to accompany the Preliminary Estimates. It is suggested that at least this additional information would be useful to the Comptroller's Office and should be made a part of the Preliminary Estimates. Such data is now solicited from the Offices by the Budget analysts on an informal basis anyway.

However, it would appear possible to redesign the Preliminary Estimates requirements in such a manner so as to include object class figures and narrative and in such form as to make them re-usable in the Agency Estimates. This would not only provide needed information at Preliminary Estimates time but would cut down duplication. The basic decisions to be made by Agency officials are made at the time the Preliminary Estimates are submitted; it is then that the total picture must be reviewed and the basic information necessary for review should be available. I should like to discuss this particular proposal with you in some detail; it might be a useful subject for the October 28-29 gathering.

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b. While not a great deal can be added to the statement above dealing with timing, it should be noted that a minimum of six weeks is needed to grind out the Agency Estimates in the detail required without heavy use of overtime and extra personnel. Any additional time over this is so much to the good. Each year the requirements for information to be supplied by the offices increases and yet the time allowed for preparation either remains static or decreases.

Similarly, the call for Preliminary Estimates should, if at all possible, be issued earlier, particularly if all the needed information is included in line with the suggestion in para. 2 a above.

c. While the recently issued draft budget instructions have set forth in one place a great deal of matter essential to the budget preparations there are still some vital details missing. Proper bookkeeping during the year is imperative if we are to be able to pull object class information together at the end of the year. For example, in order to budget 08 and 09 by family group and break down 02 by fares and per diem it is necessary that the books be kept accordingly over the course of the year. Otherwise, it is a most difficult and time consuming task at budget time to organize the information. The Offices must be assured of consistency in the manner of presentation of object class data if their records are to contain meaningful data. Changes, if there are to be any, should be resolved early in the year and the word disseminated to the Offices.


d. The following specific comments on the draft instructions are listed by page and/or form number where possible:

- 1) A definite order for presentation of the various sheets and forms should be established so all office presentations will be organized the same. Possibly each section and subsection should be tabbed for easy reference.
- 2) A standard definition for organizational unit should be decided on. This has been a most confusing point.
- 3) The explanation of changes in financial requirements requested in Form 630a is duplicative of information required on Form 1274. One of the forms should be dispensed with. If 630a is retained explanations could be presented on a vouchered and unvouchered basis.

- 4) If Form 1274 remains the information presented therein could be slightly expanded to alleviate the need for Form 286 which could then be abolished. Alternatively, Form 286 could be modified by changing the word "justification" to "explanation", which is a more accurate description of the information presented, and by adapting the form to a three year comparison sheet with explanation of the three years. This would permit elimination of Form 1274.
- 5) Object class definitions and policy should be expanded to include such significant details as
 - a) Method and rate of computation of Agency insurance.
 - b) Method and rate of computation for each day in excess of 52 week base.
 - c) Definition of lapse, AE, average salary.
- 6) Form 1283 requires virtually the identical information presented in Forms 1036 and 1036a. The latter two should be eliminated and 1283 proportionately spaced to allow room in subtotal columns for 7 digit numbers.
- 7) Form 631 serves no useful purpose insofar as our Offices are concerned and may be deleted unless it is useful to the Comptroller's Office.
- 8) The amount columns in Form 632 appear unnecessary as the totals do not reflect our actual expenses but merely arbitrary totals. These columns should be eliminated.
- 9) Form 1037 requires a total average salary while Form 1283 requires only the civilian average salary. Unless this discrepancy is intentional it is suggested that one or the other be changed.
- 10) The description of object class information which is to be entered on Form 1274 omits any mention of 01. Page 11-2-37 starts with object class 02. A definite statement that 01 is to be included and just what types of personal service information is required, i.e. in-grades, promotions, etc., should be spelled out.

4. Several of the points presented above raise questions which

should be resolved in the near future as they affect our planning and bookkeeping. I would appreciate your response to our proposals at your earliest convenience and will be glad to discuss them with whomever you may wish.


Assistant to the DD/I (Admin.)

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